

2SSB 5251 - S AMD 328

By Senator Schoesler

PULLED 02/09/2018

1 Strike everything after the enacting clause and insert the
2 following:

3
4 "NEW SECTION. **Sec. 1.** FINDINGS AND PURPOSE. (1) The
5 legislature finds that the tourism industry is the fourth largest
6 economic sector in the state of Washington and provides general
7 economic benefit to the state. Since 2011 there have been no general
8 funds committed to statewide tourism marketing and Washington is the
9 only state without a state-funded tourism office. Before 2011, the
10 amount of funds appropriated to statewide tourism marketing were not
11 significant and, in fact, Washington ranked forty-eighth in state
12 tourism funding. Washington has significant attractions and
13 activities for tourists, including many natural outdoor assets that
14 draw visitors to mountains, waterways, parks, and open spaces. There
15 should be a program to publicize these assets and activities to
16 potential out-of-state visitors that is implemented in an
17 expeditious manner by tourism professionals in the private sector.

18 (2) The purpose of this act is to establish the framework and
19 funding for a statewide tourism marketing program. The program needs
20 to have a structure that includes significant, stable, long-term
21 funding, and it should be implemented and managed by the tourism
22 industry. The source of funds should be from major sectors of the
23 tourism industry with government assistance in collecting these
24 funds and providing accountability for their expenditure. The
25 dedicated sales tax authorized for contributions made in this
26 chapter will bring direct benefits to those making contributions by

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1 bringing more tourists into the state who will patronize the
2 participating businesses and create economic benefit for the state.

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4 NEW SECTION. **Sec. 2.** DEFINITIONS. The definitions in this
5 section apply throughout this chapter unless the context clearly
6 requires otherwise.

7 (1) "Authority" means the Washington tourism marketing authority
8 created in section 3 of this act.

9 (2) "Board" means the Washington tourism marketing authority
10 board of directors.

11 (3) "Department" means the department of commerce.

12 (4) "Director" means the director of the department of commerce.

13 (5) "Statewide tourism marketing account" means the account
14 created pursuant to section 5 of this act.

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16 NEW SECTION. **Sec. 3.** WASHINGTON TOURISM MARKETING AUTHORITY—
17 ESTABLISHED. (1) The Washington tourism marketing authority is
18 established as a public body constituting an instrumentality of the
19 state of Washington.

20 (2) The authority is responsible for contracting for statewide
21 tourism marketing services that promote tourism on behalf of the
22 citizens of the state, and for managing the authority's financial
23 resources.

24 (3) The department provides administrative assistance to the
25 authority and serves as the fiscal agent of the authority for moneys
26 appropriated for purposes of the authority.

27 (4) The authority must create a private local account to receive
28 nonstate funds contributed to the authority for purposes of this
29 chapter.

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31 NEW SECTION. **Sec. 4.** BOARD OF DIRECTORS AND ADVISORY
32 COMMITTEE. (1) The authority must be governed by a board of
33 directors. The board of directors must consist of:

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1 (a) Two members and two alternates from the house of
2 representatives, with one member and one alternate appointed from
3 each of the two major caucuses of the house of representatives by
4 the speaker of the house of representatives and the minority leader
5 of the house of representatives;

6 (b) Two members and two alternates from the senate, with one
7 member and one alternate appointed from each of the two major
8 caucuses of the senate by the majority leader and minority leader of
9 the senate; and

10 (c) Nine representatives with expertise in the tourism industry
11 and related businesses including, but not limited to, hotel,
12 restaurant, outdoor recreation, attractions, retail, and rental car
13 businesses appointed by the governor.

14 (2) The initial membership of the authority must be appointed as
15 follows:

16 (a) By August 1, 2017, each of the two largest caucuses in both
17 the house of representatives and the senate must submit to the
18 governor a list of five nominees who are not legislators or
19 employees of the state or its political subdivisions, with no caucus
20 submitting the same nominee;

21 (b) The nominations from the largest caucus in the house of
22 representatives must include at least one representative from the
23 restaurant industry and one representative from the rental car
24 industry;

25 (c) The nominations from the second largest caucus in the house
26 of representatives must include at least one representative from the
27 retail industry;

28 (d) The nominations from the largest caucus in the senate must
29 include at least one representative from the hotel industry and one
30 representative from the attractions industry;

31 (e) The nominations from the second largest caucus in the senate
32 must include at least one representative from the outdoor recreation
33 industry; and

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1 (f) The remaining member appointed by the governor must have a
2 demonstrated expertise in the tourism industry.

3 (3) By September 1, 2017, the governor must appoint two members
4 from each list submitted by the caucuses under subsection (2)(a)
5 through (e) of this section and one member under subsection (2)(f)
6 of this section. The appointments made under subsection (2)(a)
7 through (e) of this section must include at least one representative
8 from each of the following industries: Hotel, restaurant, outdoor
9 recreation, attractions, retail, and rental car businesses.
10 Appointments by the governor must reflect diversity in geography,
11 size of business, gender, and ethnicity. No county may have more
12 than two appointments and no city may have more than one
13 appointment.

14 (4) There must be a nonvoting advisory committee to the board.
15 The advisory committee must consist of:

16 (a) One ex officio member from the department, department of
17 revenue, state parks and recreation commission, and department of
18 transportation; and

19 (b) One member from a federally recognized Indian tribe
20 appointed by the director of the department.

21 (5) The initial appointments under subsections (1) and (2) of
22 this section must be appointed by the governor to terms as follows:
23 Four members for two-year terms; four members for three-year terms;
24 and five members for four-year terms, which must include the chair.
25 After the initial appointments, all appointments must be for four
26 years.

27 (6) The board must select from its membership the chair of the
28 board and such other officers as it deems appropriate. The chair of
29 the board must be a member from the tourism industry or related
30 businesses.

31 (7) A majority of the board constitutes a quorum.

32 (8) The board must create its own bylaws in accordance with the
33 laws of the state of Washington.

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1 (9) Any member of the board may be removed for misfeasance,
2 malfeasance, or willful neglect of duty after notice and a public
3 hearing, unless the notice and hearing are expressly waived in
4 writing by the affected member.

5 (10) If a vacancy occurs on the board, a replacement must be
6 appointed for the unexpired term.

7 (11) The members of the board serve without compensation but are
8 entitled to reimbursement, solely from the funds of the authority,
9 for expenses incurred in the discharge of their duties.

10 (12) The board must meet at least quarterly.

11 (13) No board member of the authority may serve on the board of
12 an organization that could be considered for the contract authorized
13 by RCW 43.79A.040.

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15 NEW SECTION. **Sec. 5.** STATEWIDE TOURISM MARKETING ACCOUNT. (1)

16 The statewide tourism marketing account is created in the state
17 treasury. All receipts from tax revenues deposited pursuant to
18 section 9 of this act must be deposited into the account.

19 Expenditures from the account may be made only after appropriation.

20 (2) Appropriations from the account may be made only to the
21 department only for expenditures related to implementation of a
22 statewide tourism marketing program and operation of the authority.
23 Expenditures from the account may only be made when a two-to-one
24 nonstate to state match is provided. A nonstate match may consist of
25 nonstate cash contributions deposited in the private local account
26 created under section 3(4) of this act, the value of an advertising
27 equivalency contribution, or an in-kind contribution. The board must
28 determine criteria for what qualifies as an in-kind contribution.

29 (3) The account is subject to allotment procedures under chapter
30 43.88 RCW.

31 (4) At the end of the 2017-2019 biennium, all revenues collected
32 pursuant to section 9 of this act that remain in the statewide
33 tourism marketing account, are not matched by nonstate funds, and
34 are not otherwise obligated must revert to the general fund.

1 NEW SECTION. **Sec. 6.** USE OF FUNDS. (1) From amounts
2 appropriated to the department for the authority and from other
3 moneys available to it, the authority may incur expenditures for any
4 purpose specifically authorized by this chapter including:

5 (a) Entering into a contract for a multiple-year statewide
6 tourism marketing plan with a statewide nonprofit organization
7 existing on the effective date of this section whose sole purpose is
8 marketing Washington to tourists. The marketing plan must include,
9 but is not limited to, focuses on rural tourism-dependent counties,
10 natural wonders and outdoor recreation opportunities of the state,
11 attraction of international tourists, identification of local
12 offerings for tourists, and assistance for tourism areas adversely
13 impacted by natural disasters. In the event that no such
14 organization exists on the effective date of this section or the
15 initial contractor ceases to exist, the authority may determine
16 criteria for a contractor to carry out a statewide marketing
17 program;

18 (b) Contracting for the evaluation of the impact of the
19 statewide tourism marketing program; and

20 (c) Paying for administrative expenses of the authority, which
21 may not exceed two percent of the state portion of funds collected
22 in any fiscal year.

23 (2) All nonstate moneys received by the authority under section
24 7 of this act or otherwise provided to the authority for purposes of
25 nonstate matching funding are held in trust for uses authorized
26 solely by this chapter.

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28 NEW SECTION. **Sec. 7.** GIFTS OR GRANTS TO THE WASHINGTON TOURISM
29 MARKETING AUTHORITY. The board may receive gifts, grants, or
30 endowments from public or private sources that are made from time to
31 time, in trust or otherwise, for the use and benefit of the purposes
32 of the authority and spend gift, grants, or endowments or income
33 from public or private sources according to their terms, unless the
34 receipt of gifts, grants, or endowments violates RCW 42.17A.560.

1 NEW SECTION. **Sec. 8.** SHORT TITLE. This chapter may be known
2 and cited as the statewide tourism marketing act.

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4 NEW SECTION. **Sec. 9.** A new section is added to chapter 82.08
5 RCW to read as follows:

6 Beginning July 1, 2018, 0.2 percent of taxes collected pursuant
7 to RCW 82.08.020(1) on retail sales of lodging, car rentals, and
8 restaurants must be deposited into the statewide tourism marketing
9 account created in section 5 of this act. For fiscal year 2019, up
10 to a maximum of two million five hundred thousand dollars must be
11 deposited in the statewide tourism marketing account created in
12 section 5 of this act. Future revenue collections may be up to five
13 million dollars per biennium. The diversion of revenue to the
14 statewide tourism marketing account must only occur if the
15 legislature authorizes the diversion in the fiscal 2017-2019
16 operating appropriations act.

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18 **Sec. 10.** RCW 43.79A.040 and 2017 c 322 s 5, 2017 c 285 s 5, and
19 2017 c 257 s 5 are each reenacted and amended to read as follows:

20 (1) Money in the treasurer's trust fund may be deposited,
21 invested, and reinvested by the state treasurer in accordance with
22 RCW 43.84.080 in the same manner and to the same extent as if the
23 money were in the state treasury, and may be commingled with moneys
24 in the state treasury for cash management and cash balance purposes.

25 (2) All income received from investment of the treasurer's trust
26 fund must be set aside in an account in the treasury trust fund to
27 be known as the investment income account.

28 (3) The investment income account may be utilized for the
29 payment of purchased banking services on behalf of treasurer's trust
30 funds including, but not limited to, depository, safekeeping, and
31 disbursement functions for the state treasurer or affected state
32 agencies. The investment income account is subject in all respects
33 to chapter 43.88 RCW, but no appropriation is required for payments
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1 to financial institutions. Payments must occur prior to distribution
2 of earnings set forth in subsection (4) of this section.

3 (4)(a) Monthly, the state treasurer must distribute the earnings
4 credited to the investment income account to the state general fund
5 except under (b), (c), and (d) of this subsection.

6 (b) The following accounts and funds must receive their
7 proportionate share of earnings based upon each account's or fund's
8 average daily balance for the period: The 24/7 sobriety account, the
9 Washington promise scholarship account, the Gina Grant Bull memorial
10 legislative page scholarship account, the Washington advanced
11 college tuition payment program account, the Washington college
12 savings program account, the accessible communities account, the
13 Washington achieving a better life experience program account, the
14 community and technical college innovation account, the agricultural
15 local fund, the American Indian scholarship endowment fund, the
16 foster care scholarship endowment fund, the foster care endowed
17 scholarship trust fund, the contract harvesting revolving account,
18 the Washington state combined fund drive account, the commemorative
19 works account, the county enhanced 911 excise tax account, the toll
20 collection account, the developmental disabilities endowment trust
21 fund, the energy account, the fair fund, the family leave insurance
22 account, the food animal veterinarian conditional scholarship
23 account, the fruit and vegetable inspection account, the future
24 teachers conditional scholarship account, the game farm alternative
25 account, the GET ready for math and science scholarship account, the
26 Washington global health technologies and product development
27 account, the grain inspection revolving fund, the industrial
28 insurance rainy day fund, the juvenile accountability incentive
29 account, the law enforcement officers' and firefighters' plan 2
30 expense fund, the local tourism promotion account, the low-income
31 home rehabilitation revolving loan program account, the multiagency
32 permitting team account, the northeast Washington wolf-livestock
33 management account, the pilotage account, the produce railcar pool
34 account, the regional transportation investment district account,

1 the rural rehabilitation account, the statewide tourism marketing
2 account, the Washington sexual assault kit account, the stadium and
3 exhibition center account, the youth athletic facility account, the
4 self-insurance revolving fund, the children's trust fund, the
5 Washington horse racing commission Washington bred owners' bonus
6 fund and breeder awards account, the Washington horse racing
7 commission class C purse fund account, the individual development
8 account program account, the Washington horse racing commission
9 operating account, the life sciences discovery fund, the Washington
10 state heritage center account, the reduced cigarette ignition
11 propensity account, the center for childhood deafness and hearing
12 loss account, the school for the blind account, the Millersylvania
13 park trust fund, the public employees' and retirees' insurance
14 reserve fund, and the radiation perpetual maintenance fund.

15 (c) The following accounts and funds must receive eighty percent
16 of their proportionate share of earnings based upon each account's
17 or fund's average daily balance for the period: The advanced right-
18 of-way revolving fund, the advanced environmental mitigation
19 revolving account, the federal narcotics asset forfeitures account,
20 the high occupancy vehicle account, the local rail service
21 assistance account, and the miscellaneous transportation programs
22 account.

23 (d) Any state agency that has independent authority over
24 accounts or funds not statutorily required to be held in the custody
25 of the state treasurer that deposits funds into a fund or account in
26 the custody of the state treasurer pursuant to an agreement with the
27 office of the state treasurer shall receive its proportionate share
28 of earnings based upon each account's or fund's average daily
29 balance for the period.

30 (5) In conformance with Article II, section 37 of the state
31 Constitution, no trust accounts or funds shall be allocated earnings
32 without the specific affirmative directive of this section.

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1 NEW SECTION. **Sec. 11.** The joint legislative audit and review
2 committee must conduct an evaluation of the performance of the
3 authority created in chapter 43.--- RCW (the new chapter created in
4 section 12 of this act) and report its findings and recommendations
5 to the governor and the economic development committees of the
6 senate and house of representatives by December 1, 2020. The purpose
7 of the evaluation is to determine the extent to which the authority
8 has contributed to the growth of the tourism industry and economic
9 development of the state. An interim report by the authority is due
10 to the governor and economic development committees of the house of
11 representatives and senate by December 1, 2018. The report must
12 provide an update on the authority's progress in implementing a
13 statewide tourism marketing program.

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15 NEW SECTION. **Sec. 12.** Sections 1 through 8 of this act
16 constitute a new chapter in Title 43 RCW."

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18 SSB 5251 - S AMD

19 By Senator

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21 On page 1, line 1 of the title, after "marketing;" strike the
22 remainder of the title and insert "reenacting and amending RCW
23 43.79A.040; adding a new section to chapter 82.08 RCW; adding a new
24 chapter to Title 43 RCW; creating a new section; providing an
25 effective date; and declaring an emergency."

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EFFECT: Directs that 0.2% of retail sales tax on lodging, car
rentals, and restaurants be deposited into the statewide tourism
marketing account beginning July 1, 2018, up to \$2.5 million for FY
2018 and up to \$5 million for future bienniums. Provides that the
collection only occur if authorized in the fiscal 2017-2019
operating appropriations act.

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